# INDUSTRY CANADA

## 2015–16

### Report on Plans and Priorities

The Honourable James Moore, P.C., M.P.
Minister of Industry

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## Minister's Message

Our government's top priorities remain job creation and economic growth that benefit all Canadians. As we focus on balancing the budget and lowering taxes for hard-working Canadian families, Canada will be well positioned in 2015–16 to seize the economic opportunities of the future.

Since the recession, Canada has created approximately 1.2 million net new jobs, and world-class companies are collectively investing billions of dollars in our economy to create jobs here in Canada.

These investments are evidence that our plan for the economy is working. Firms are taking advantage of our government's economic policies—low taxes for businesses, an ambitious free trade agenda and a responsible investment regime—and we will continue to support Canadian businesses as they seek to expand their global and domestic footprints.

As Minister of Industry, I am pleased that Industry Canada and its portfolio partners are building on these strengths and modernizing policies that support Canadian businesses.

Moving forward, our government will continue to push for the elimination of internal trade barriers that put Canadian businesses at a disadvantage. Our government will also further enhance broadband access for rural and northern Canadians, helping them realize the full economic potential of the digital age. Moreover, we will continue to modernize Canada's digital economy by implementing and enhancing Digital Canada 150, our government's plan for Canadians to take full advantage of the opportunities of the digital age in the lead up to the 150th anniversary of Confederation.

I am confident that we will meet our objectives and that Industry Canada will continue to contribute toward economic growth and prosperity that benefit all Canadians.

James Moore

Minister of Industry

# Section I: Organizational Expenditure Overview

## Organizational Profile

**Minister:**
The Honourable James Moore, P.C., M.P.

**Minister of State (Science and Technology):**
The Honourable Ed Holder, P.C., M.P.

**Minister of State (Small Business and Tourism, and Agriculture):**
The Honourable Maxime Bernier, P.C., M.P.

**Minister of State (Federal Economic Development Agency for Southern Ontario):**
The Honourable Gary Goodyear, P.C., M.P.

**Minister of State (Federal Economic Development Initiative for Northern Ontario):**

The Honourable Greg Rickford, P.C., M.P.

**Deputy Head:**
John Knubley

**Ministerial portfolio:**
Industry

**Year established:**
Incorporated in 1892

**Main legislative authorities:**
Industry Canada's founding legislation is the *Department of Industry Act*, S.C. 1995, c.1.[1]

## Organizational Context

### Raison d'être

Industry Canada's mission is to foster a growing, competitive, knowledge-based Canadian economy.

The Department works with Canadians throughout the economy, and in all parts of the country, to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build an efficient and competitive marketplace.

Industry Canada's mandate is to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

### Responsibilities

Industry Canada works with Canadians in all areas of the economy and in all parts of the country to improve conditions for investment, to enhance Canada's innovation performance, and to make Canadian firms more productive and competitive in the knowledge-based economy. The Department works on a broad range of matters related to industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition and restraint of trade, weights and measures, bankruptcy and insolvency, intellectual property, investment, small business, and tourism.

Twelve organizations make up the Industry portfolio. Industry Canada works in partnership with the members of the Industry portfolio to leverage resources and use synergies in a number of areas in order to further the Government of Canada's goal of building a knowledge-based economy in all regions of Canada and to advance the government's jobs and growth agenda.

## Strategic Outcomes and Program Alignment Architecture (PAA)

Industry Canada's Program Alignment Architecture (PAA) is an inventory of all of its programs. The programs are depicted in a logical and hierarchical relationship to each other and to the strategic outcome to which they contribute. The PAA also provides a framework that links financial and non-financial resources and results to each program.

**Strategic Outcome: The Canadian marketplace is efficient and competitive**

Program: Marketplace Frameworks and Regulation
- Sub-program: Trade Measurement
- Sub-program: Insolvency
- Sub-program: Federal Incorporations
- Sub-program: Intellectual Property
- Sub-program: Market Access
- Sub-program: Consumer Affairs

Program: Marketplace Competition and Investments
- Sub-program: Competition Law Enforcement
- Sub-program: Investment Review

Program: Spectrum, Telecommunications and the Digital Economy
- Sub-program: Spectrum and Telecommunications Policy and Legislation
- Sub-program: Spectrum Management and Regulation
- Sub-program: Communications Technologies Research and Innovation

**Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy**

Program: Science, Technology and Innovation Capacity
- Sub-program: Science and Technology Policy and Analysis
- Sub-program: Science and Technology Partnerships

Program: Industrial Research and Development Financing
- Sub-program: Automotive Innovation
- Sub-program: Aerospace and Defence Innovation

**Strategic Outcome: Canadian businesses and communities are competitive**

Program: Small Business Research, Financing and Services
- Sub-program: Small Business Financing and Growth
- Sub-program: Service to Business

Program: Industrial Competitiveness and Capacity
- Sub-program: Industry-Specific Policy and Analysis
- Sub-program: Economic Outcomes from Procurement

Program: Community Economic Development
- Sub-program: Northern Ontario Economic Development
- Sub-program: Computer and Internet Access

**Internal Services**

## Organizational Priorities

Through its 2015-16 priorities, Industry Canada will contribute to Canada's innovation performance by:

- increasing opportunities for Canadian firms to thrive in a competitive environment, through open markets and business-oriented legal and technological infrastructure;
- creating a competitive policy environment to guide research and development (R&D) investments by governments and other stakeholders, and providing financial assistance to encourage firms to take strategic R&D risks;
- promoting access to broadband in rural and northern communities; and
- demonstrating leadership in the use of innovative tools, including data analytics.

| Priority | Type | Strategic Outcome |
|---|---|---|
| Advancing the marketplace | Ongoing | The Canadian marketplace is efficient and competitive |
| **Description** | | |
| **Why is this a priority?**<br>• Ensuring Canadian businesses can respond to the demands of the modern marketplace and that Canadians are connected to, protected in and benefit from the digital economy.<br>**Plans for meeting this priority**<br>• Auction spectrum in the 2,500 MHz band to support increasing demand for new wireless technologies and services.<br>• Collaborate with federal, provincial and territorial counterparts to reduce or eliminate barriers to the free movement of people, goods, services and investment within Canada and to establish an open, efficient and stable domestic market.<br>• Increase opportunities for Canadian firms to thrive in competitive, open markets through an effective and efficient regulatory framework and sound digital infrastructure.<br>• Deliver on the consumer commitments in Budget 2014 related to addressing the Canada–U.S. price gap and implementing the Made in Canada consumer awareness campaign.<br>• Align Canadian intellectual property laws with international administrative practices.<br>• Implement the Canada and European Union Comprehensive Economic and Trade Agreement. | | |

| Priority | Type | Strategic Outcome |
|---|---|---|
| Fostering the knowledge-based economy | Ongoing | Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy |

**Description**

**Why is this a priority?**

- Supporting Canada's innovation performance, creating a competitive environment to guide R&D investments by governments and other stakeholders, and providing financial assistance to encourage firms to take strategic R&D risks all help create knowledge-intensive jobs with high wages, contribute to Canada's productivity and prosperity and ensure that Canada is competitive internationally.

**Plans for meeting this priority**

- Implement the Science, Technology and Innovation Strategy.
- Facilitate support for business innovation by implementing Budget measures.

| Priority | Type | Strategic Outcome |
|---|---|---|
| Supporting business | Ongoing | Canadian businesses and communities are competitive |

**Description**

**Why is this a priority?**

- Supporting the growth of small and medium-sized enterprises and promoting community economic development and more dynamic regional economies both contribute to a higher standard of living for Canadians.

**Plans for meeting this priority**

- Extend and enhance access to broadband services in rural and northern communities through Connecting Canadians.
- Take a whole-of-government approach to supporting Canadian industry by helping attract and retain business research and manufacturing, increase participation in global value chains and maximize the industrial benefits arising from federal defence and major coast guard procurements.
- Work collaboratively with provincial and territorial partners and other federal departments to expand the BizPaL service across Canada through the participation of additional municipalities.

| Priority | Type | Strategic Outcome |
|---|---|---|
| Ensuring sound management | Ongoing | All strategic outcomes |

**Description**

**Why is this a priority?**

- Ensuring management excellence is central to Industry Canada's ability to meet its priorities within the current fiscal environment.

**Plans for meeting this priority**

- Effect culture change within Industry Canada in accordance with the goals of Blueprint 2020 by delivering on management initiatives that nurture an environment of innovation and collaboration and improve the efficient and effective delivery of programs and operations.

## Risk Analysis

### Key Risks

| Risk | Risk Response Strategy | Link to Program Alignment Architecture |
|---|---|---|
| Demand for mobile services and spectrum continues to increase. | To mitigate this risk, the Department will make spectrum available based on a realistic, multi-year spectrum release plan.<br>Under this plan, in 2015–16, Industry Canada will auction spectrum in the 2,500 MHz band to respond to increasing demand for new wireless technologies and services.<br>The final list of successful bidders for the auction of the Advanced Wireless Services-3 (AWS-3) band will be announced in 2015–16. | **Strategic Outcome:** The Canadian marketplace is efficient and competitive<br>**Program:** Spectrum, Telecommunications and the Digital Economy |
| Market conditions, as well as the structure of Industry Canada's research and development programs, may affect both the schedule of disbursements under these programs and the anticipated results. | Industry Canada will continue to provide strong program governance and oversight and will ensure support for program recipients through regular communication and monitoring.<br>For example, the Department will continue its outreach activities to raise awareness and increase uptake of the Strategic Aerospace and Defence Initiative and the Technology Demonstration Program. | **Strategic Outcome:** Advancements in science and technology, knowledge and innovation strengthen the Canadian economy<br>**Program:** Industrial Research and Development Financing |

Industry Canada's risk environment is shaped by the Department's mandate and objectives, government policies and priorities, as well as broad economic, social and technological trends.

For 2015–16, Industry Canada's priorities include auctioning spectrum to support new wireless technologies and services in the Canadian marketplace, and implementing the federal Science, Technology and Innovation Strategy to strengthen private sector uptake of the results of Canadian investments in science and technology, knowledge and innovation.

To achieve these priorities and deliver program results, the Department must also identify and manage the risks associated with them. The table above identifies key risks from Industry Canada's 2015–16 Corporate Plan, which includes the Department's Corporate Risk Profile, part of a tailored, integrated approach to addressing risks that may impede the Department's ability to deliver on its mandate. This approach meets Industry Canada's need for sound risk management and allows it to monitor mitigation strategies and action plans for its corporate risks.

## Planned Expenditures

### Budgetary Financial Resources (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 1,170,502,156 | 1,203,502,156 | 1,202,833,054 | 1,100,107,438 |

### Human Resources (Full-Time Equivalents—FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 4,701 | 4,701 | 4,708 |

### Budgetary Planning Summary for Strategic Outcomes and Programs (dollars) [1]

| Strategic Outcomes, Programs and Internal Services | 2012–13 Expenditures | 2013–14 Expenditures | 2014–15 Forecast Spending | 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|---|---|---|---|
| **Strategic Outcome: The Canadian marketplace is efficient and competitive** | | | | | | | |
| Marketplace Frameworks and Regulations (2) | 34,882,416 | 51,872,092 | 60,701,159 | 56,111,095 | 56,111,095 | 65,096,565 | 69,810,033 |
| Marketplace Competition and Investments | 49,730,971 | 47,114,308 | 48,573,279 | 47,089,170 | 47,089,170 | 47,054,762 | 47,054,762 |
| Spectrum, Telecommunications and the Digital Economy (3) | 173,798,127 | 142,157,667 | 128,620,655 | 109,811,139 | 109,811,139 | 104,991,791 | 104,918,743 |
| **Strategic Outcome Subtotal** | 258,411,514 | 241,144,067 | 237,894,992 | 213,011,404 | 213,011,404 | 217,143,118 | 221,783,539 |
| **Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy** | | | | | | | |
| Science, Technology and Innovation Capacity (4) | 415,896,394 | 210,195,969 | 312,767,642 | 304,380,758 | 304,380,758 | 302,630,758 | 195,850,758 |
| Industrial Research and Development Financing (5) | 349,193,500 | 330,580,008 | 234,743,004 | 287,630,154 | 287,630,154 | 294,782,380 | 291,625,082 |
| **Strategic Outcome Subtotal** | 765,089,894 | 540,775,977 | 547,510,646 | 592,010,912 | 592,010,912 | 597,413,138 | 487,475,840 |
| **Strategic Outcome: Canadian businesses and communities are competitive** | | | | | | | |
| Small Business Research, Financing and Services (6) | 81,516,335 | 85,577,041 | 96,397,626 | 86,766,345 | 86,766,345 | 84,478,745 | 87,035,745 |
| Industrial Competitiveness and Capacity (7) | 44,123,977 | 37,132,066 | 32,150,428 | 34,249,228 | 34,249,228 | 34,257,507 | 34,257,507 |
| Community Economic Development (8) | 76,756,979 | 72,366,822 | 83,397,436 | 150,391,867 | 150,391,867 | 137,911,498 | 137,636,888 |
| **Strategic Outcome Subtotal** | 202,397,291 | 195,075,929 | 211,945,489 | 271,407,439 | 271,407,439 | 256,647,750 | 258,930,140 |
| **Internal Services Subtotal (9)** | 131,684,019 | 138,479,491 | 126,561,610 | 94,072,400 | 127,072,400 | 131,629,048 | 131,917,919 |
| **Total** | **1,357,582,718** | **1,115,475,464** | **1,123,912,737** | **1,170,502,156** | **1,203,502,156** | **1,202,833,054** | **1,100,107,438** |

## Budgetary Planning Summary Explanation

In the tables above, Planned Spending reflects funds already brought into the Department's reference levels as well as funds authorized up to February 1, 2015; it does not reflect future budget decisions. In addition, since Industry Canada is partly funded from royalty payments collected in the previous year, planned spending also includes forecasted royalties to be accessed in future years. More information will be provided in the 2015–16 Supplementary Estimates, as applicable. Forecast Spending reflects anticipated expenditures at the end of the fiscal year, and Expenditures represent the total authorities used for the fiscal year, as reported in the Public Accounts of Canada.

1. Totals may not add due to rounding.

   Strategic Outcome subtotals from 2014–15 and prior years may not match figures in previous documents due to changes in the PAA.

## Strategic Outcome: The Canadian marketplace is efficient and competitive

2. The changes in spending for the Marketplace Frameworks and Regulations program are mainly related to Intellectual Property, which is mostly funded from the revenues it generates and where actual and planned revenues can fluctuate. Further information is provided under the sub-program section of this report.

3. The 2012–13 Expenditures in the Spectrum, Telecommunications and the Digital Economy program include a one-time payment for a settlement agreement. The changes in expenditures from 2013–14 to 2014–15 are due to the implementation of the deficit reduction action plan and the one-time wireless policy advertising campaign in 2013–14. Changes in spending starting in 2015–16 reflect the consolidation of information technology resources, which are now reflected under Internal Services, and the fluctuations in requirements for two major capital projects: health and safety improvements at the Communications Research Centre Canada campus and the Spectrum Application Modernization project.

## Strategic Outcome: Advancements in science and technology, knowledge and innovation strengthen the Canadian economy

4. The change in Expenditures in the Science, Technology and Innovation Capacity program from 2012–13 to 2013–14 is largely due to completion of additional funding from the 2009 Economic Action Plan (e.g., Knowledge Infrastructure Program). The change in Planned Spending from 2016–17 to 2017–18 is largely due to fluctuations in the currently approved funding for the Canada Foundation for Innovation, Genome Canada and Mitacs Inc.

   Further information on future years is provided under the sub-program section of this report.

5. The change in Expenditures in the Industrial Research and Development Financing program starting in 2014–15 is mainly related to the sunset of contribution funding under the Aerospace and Defence Innovation program. The change in Planned Spending in 2015–16 is related to the funding announced in Budget 2013 for the Technology Demonstration Program.

## Strategic Outcome: Canadian businesses and communities are competitive

6. The changes in Planned Spending in the Small Business Research, Financing and Services program reflect expected fluctuations in claims under the *Canada Small Business Financing Act*. The change in Forecast Spending in 2014–15 is related to the sunset of contribution funding under the Canada Youth Business Foundation program.

7. The change in Expenditures in Industrial Competitiveness and Capacity program in 2013–14 is due to the end of the Structured Financing Facility program. The change in Planned Spending in 2015–16 is due to internal reallocation for the Defence Procurement Strategy.

8. The change in Forecast Spending in the Community Economic Development program in 2014–15 is related to internal reallocations of grants and contributions funding to the Technical Work Experience Program and to the Northern Ontario Development Program. The change in Planned Spending in future years reflects funding for the new Connecting Canadians Program, offset by the completion of the Broadband Canada: Connecting Rural Canadians Program.

## Internal Services

9. Variances in Expenditures, Forecast Spending, Main Estimates and Planned Spending under the Internal Services program appear each year, and are due, in large part, to the Department's funding model, according to which a portion of its core budget comes from repayments and royalties received for support provided under former contribution programs. This portion varies from year to year, and is accessed every year through Supplementary Estimates; it is never reflected in the Main Estimates. While this portion of the operating budget supports activities across the department, it is all recorded against the Internal Services program to streamline administration.

Further information is available in the Analysis of Programs and Sub-Programs by Strategic Outcome section of this report.

## Alignment of Spending With the Whole-of-Government Framework

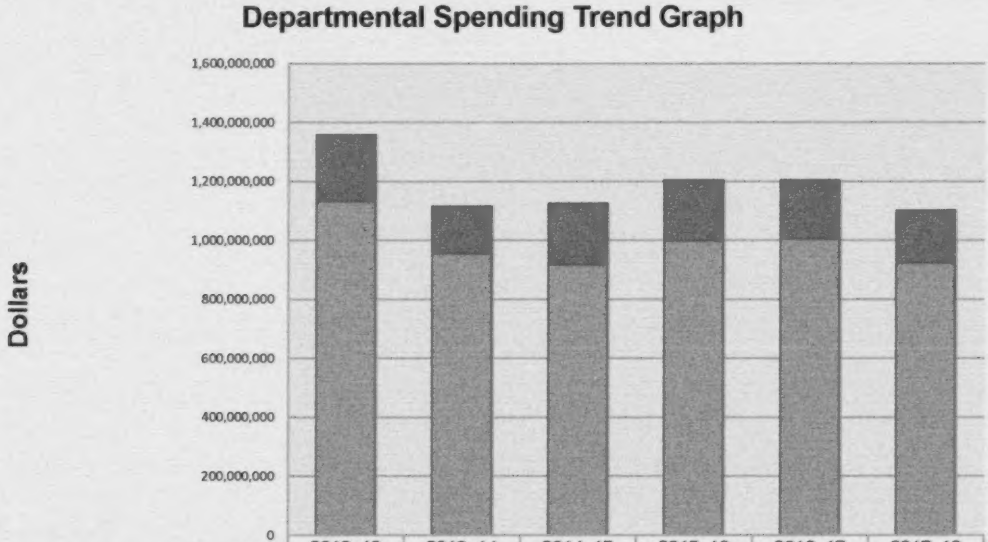
### Alignment of 2015–16 Planned Spending With the Whole-of-Government Framework (dollars)

| Strategic Outcome | Program | Spending Area | Government of Canada Outcome | 2015–16 Planned Spending |
|---|---|---|---|---|
| The Canadian marketplace is efficient and competitive | Marketplace Frameworks and Regulation | Economic Affairs | A fair and secure marketplace | 56,111,095 |
| | Marketplace Competition and Investments | Economic Affairs | A fair and secure marketplace | 47,089,170 |
| | Spectrum, Telecommunications and the Digital Economy | Economic Affairs | A fair and secure marketplace | 109,811,139 |
| Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy | Science, Technology and Innovation Capacity | Economic Affairs | An innovative and knowledge-based economy | 304,380,758 |
| | Industrial Research and Development Financing | Economic Affairs | An innovative and knowledge-based economy | 287,630,154 |
| Canadian businesses and communities are competitive | Small Business Research, Financing and Services | Economic Affairs | Strong economic growth | 86,766,345 |
| | Industrial Competitiveness and Capacity | Economic Affairs | Strong economic growth | 34,249,228 |
| | Community Economic Development | Economic Affairs | Strong economic growth | 150,391,867 |

### Total Spending by Spending Area (dollars)

| Spending Area | Total Planned Spending |
|---|---|
| Economic Affairs | 1,076,429,756 |
| Social Affairs | – |
| International Affairs | – |
| Government Affairs | – |

## Departmental Spending Trend




| | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 | 2017–18 |
|---|---|---|---|---|---|---|
| Sunset Programs – Anticipated | 0 | 0 | 0 | | | |
| Statutory | 226,112,976 | 161,001,195 | 205,940,021 | 204,849,301 | 199,130,371 | 177,389,964 |
| Voted | 1,131,469,742 | 954,474,269 | 917,972,716 | 998,652,855 | 1,003,702,683 | 922,717,474 |

The change in spending from 2012–13 to 2013–14 is largely due to completion of stimulus funding from the 2009 Economic Action Plan. Changes in Planned Spending do not reflect future budget decisions.

Changes from 2014–15 to 2015–16 are mostly due to Budget 2014 commitments for the new Connecting Canadians and Technology Demonstration programs.

## Estimates by Vote

For information on Industry Canada's organizational appropriations, please see the 2015–16 Main Estimates publication.[2]

## Section II: Analysis of Programs by Strategic Outcome

### Strategic Outcome: The Canadian marketplace is efficient and competitive

Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation, support investment and entrepreneurial activity, and instil consumer, investor and business confidence in the marketplace.

Industry Canada's 2015–16 priorities will contribute to Canada's innovation performance by increasing opportunities for Canadian firms to thrive in a competitive environment, through open markets and business-oriented legal and technological infrastructure.

### Program: Marketplace Frameworks and Regulation

#### Description

This program regulates and provides oversight over a number of aspects of the Canadian marketplace, including trade measurement, insolvency, corporate governance including federal incorporation, competition, intellectual property, market access and consumer affairs. The program develops and administers framework statutes, regulations, policies and procedures; develops, sets and assures compliance with related regulatory reforms and standards; and consults with a variety of stakeholders and portfolio organizations. Overall, the program benefits Canadian businesses and consumers by ensuring the integrity of the marketplace.

Budgetary Financial Resources: Marketplace Frameworks and Regulations (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 56,111,095 | 56,111,095 | 65,096,565 | 69,810,033 |

Human Resources (Full-Time Equivalents—FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 1,730 | 1,744 | 1,756 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Service standards are met | Average percentage of service standards met | 90% | March 31, 2016 |
| Canadian marketplace frameworks and regulations are effective by international standards | Canada's rank among G7 countries in effectiveness of marketplace frameworks and regulations for starting a business, resolving insolvencies and intellectual property | 1st | March 31, 2016 |

**Planning Highlights: Marketplace Frameworks and Regulation**

In 2015–16, Industry Canada will continue to oversee, regulate and ensure the effectiveness of a number of Canadian marketplace frameworks, including those for trade measurement, insolvency, federal incorporations and intellectual property.

The Department will also deliver on the consumer commitments made in Budget 2014. These will provide greater transparency for consumers about Canadian products and prices.

Industry Canada will continue to align Canadian intellectual property (IP) laws with international administrative practices, and increase awareness among Canadian firms of their IP rights and opportunities.

Certain sub-programs under Marketplace Frameworks and Regulation are funded by user fees, which are not shown in this report. Only the portions funded by appropriations are shown.

Changes in Planned Spending are mainly related to the Intellectual Property sub-program. Further information is provided under the relevant sub-programs below.

**Sub-Program: Trade Measurement**

**Description**

This program ensures the integrity and accuracy of measurement-based financial transactions and has sole federal jurisdiction for the administration and enforcement of the laws governing trade measurement in Canada: the *Weights and Measures Act* and Regulations and the *Electricity and Gas Inspection Act* and Regulations. It protects Canadians against loss due to inaccurate measurement at all levels of trade and maintains domestic and international consumer and business confidence in the accurate measurement of goods and services bought and sold on the basis of measure, by ensuring scales, gas pumps, electricity and natural gas meters and other measuring devices used in

Canada meet legislative standards for accuracy and performance. This program develops trade measurement policy, monitors the accuracy performance of measuring devices in the marketplace, investigates measurement practices in the Canadian marketplace and compels corrective actions when unfair or improper practices are found.

Budgetary Financial Resources: Trade Measurement (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 30,520,285 | 30,486,274 | 30,486,274 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 285 | 283 | 284 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Accurate trade measurement in Canada | Percentage of marketplace monitoring inspections where devices are found to be measuring accurately | 80% | March 31, 2016 |
| | Percentage of Measurement Canada product and surveillance audits which confirm authorized service providers' competencies to conduct inspections on the agency's behalf | 94% | March 31, 2017 |

**Planning Highlights: Trade Measurement**

In 2015–16, Industry Canada will continue to implement recent amendments to the *Weights and Measures Regulations*. These include the introduction of mandatory inspection frequencies in the retail petroleum, retail food, dairy, mining, forestry, fishing, field and grain crops, and wholesale petroleum sectors. The Department will also continue its information and awareness activities to increase device owners' understanding of their legal obligations under the revised regulations and the consequences of non-compliance.

Industry Canada will continue to implement a graduated compliance improvement approach. This includes introducing administrative monetary penalties for non-

compliance and increased court-imposed fines to resolve measurement inaccuracy and other concerns under the laws and regulations governing trade measurement.

**Sub-Program: Insolvency**

**Description**

This program supervises the administration of estates and matters under the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* through the Office of the Superintendent of Bankruptcy, which operates as a vote net revenue organization whose activities are supported in part by user fees. It protects the integrity of the bankruptcy and insolvency system by maintaining an efficient and effective insolvency regulatory framework; promoting awareness of the rights and responsibilities of stakeholders; ensuring compliance with the legislative and regulatory framework; by being an integral source of information on Canadian insolvency matters; and by developing policy.

Budgetary Financial Resources: Insolvency (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 5,676,598 | 5,676,598 | 5,676,598 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 381 | 381 | 381 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Estates and matters are administered in accordance with insolvency legislation | Percentage of trustees with a satisfactory level of compliance | 90% | March 31, 2016 |
| | Percentage of enquiries and complaints responded to within service standards | 93% | March 31, 2016 |

**Planning Highlights: Insolvency**

In 2015–16, Industry Canada will support the ongoing statutory review of Canada's insolvency laws, including the parliamentary review of the *Bankruptcy and Insolvency Act*, to ensure that Canadian insolvency legislation evolves to respond to changes in the Canadian economy and global marketplace.

This sub-program's activities are supported, in part, by user fees, not included in the figures above. The Planned Spending above reflects only the portion of funding approved by appropriations.

**Sub-Program: Federal Incorporations**

**Description**

This program allows Canadians and businesses (with the exception of financial institutions) to incorporate at the federal level in accordance with the *Canada Business Corporations Act*, the *Boards of Trade Act*, the *Canada Cooperatives Act* and the *Canada Not-for-profit Corporations Act* or to carry out transactions under the *Canada Corporations Act*. It also issues and registers official documents under the Great Seal of Canada. The program's main lines of business include incorporation and related services (such as amalgamation or corporate charter amendments), dissolution of corporations, rulings on the use of corporate names, collection and dissemination of information on federal companies, compliance and enforcement activities related to the statutes it administers and development of incorporation policy and regulations. The activities of this program are supported by user fees. The program's activities directly affect Canadian businesses, not-for-profit organizations and other corporate entities.

Budgetary Financial Resources: Federal Incorporation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 994,233 | 994,233 | 994,233 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 82 | 82 | 82 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Federally incorporated companies are compliant with corporate laws and regulations | Percentage of federally incorporated corporations that comply with statutory annual filing requirements | 80% | March 31, 2016 |
| Businesses have timely access to incorporations and information services | Percentage of published Corporations Canada service standards that are met or exceeded | 90% | March 31, 2016 |

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Services are delivered to businesses electronically | Percentage of transactions that are completed online | 90% | March 31, 2016 |

**Planning Highlights: Federal Incorporations**

In 2015–16, Industry Canada will continue to help improve shareholder participation in corporate oversight, including enhancing shareholder communications with boards of directors, while reducing corporations' regulatory burden under the *Canada Business Corporations Act*.

The Department will continue to expand the number of high-volume online services it offers under the various laws related to incorporation. The Department will also continue its work to modernize the technology behind NUANS—the corporate name search tool used by the federal government and several provinces and territories. With the new system, which is due to be launched in the spring of 2015, NUANS users will benefit from real-time reports, greater accuracy in French-language searches and a more intuitive web interface.

This sub-program's activities are supported in part by user fees, not included in the figures above. The Planned Spending above reflects only the portion of funding approved by appropriations.

**Sub-Program: Intellectual Property**

**Description**

This program develops Canada's intellectual property policy and administers its system of intellectual property (IP) rights, namely patents, trademarks, copyrights, industrial designs and integrated circuit topographies. The Canadian Intellectual Property Office (CIPO), which operates under a revolving fund supported by user fees, assigns, grants and registers IP rights, legally recognizing certain endeavours of originality and creativity. It also disseminates information related to these rights to businesses, educational institutions and Canadians. This program represents Canada's IP interests internationally and ensures that IP policy supports innovation, competitiveness and economic growth and that the benefits of the IP system accrue to Canadians. Its clients include Canadian and foreign applicants for IP protection, users of IP information and the Canadian business community.

Budgetary Financial Resources: Intellectual Property (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 11,178,578 | 20,512,470 | 26,388,487 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 949 | 966 | 977 |

Performance Measurement

| Expected Result | Performance Indicator | Targets | Date to be Achieved |
|---|---|---|---|
| Timely administration of intellectual property rights | Average number of months taken from the submission date to the registration / grant of intellectual property rights | Design: 10.6 months<br>Patent: 47.8 months<br>Trademark: 27.2 months | March 31, 2016 |

**Planning Highlights: Intellectual Property**

For 2015–16, Industry Canada, through CIPO, will implement amendments to intellectual property laws and their related regulations, including the *Patent Act* and *Patent Rules*, the *Industrial Design Act* and Regulations, and the *Trade-marks Regulations*. These amendments enable Canada's accession to various international IP treaties, within the existing Canadian IP framework. The Department will also work to reduce red tape by continuing to improve its operations and decreasing the overall turnaround time for issuing IP rights.

In 2015–16, Industry Canada, through CIPO, will develop new business tools and services and expand its outreach activities to increase awareness of the importance of IP for business success. These activities will include a marketing and communications campaign to educate businesses and other key stakeholders about IP and available government support.

The increases in Planned Spending for 2016–17 and 2017–18 reflect planned investments in information management and information technology projects to modernize CIPO's operations. This sub-program's activities are funded by revenues for services provided to those seeking intellectual property rights, to meet the operating expenditures of CIPO. The Planned Spending above reflects only the portion of funding approved by appropriations.

**Sub-Program: Market Access**

**Description**

This program provides policy, administrative and operational support and advice to the Minister of Industry, the Committee on Internal Trade, its Chair, and other committees or working groups established under the Agreement on Internal Trade (AIT) or by the committee across the federal, provincial and territorial governments. The purpose of the AIT is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services and investment within Canada and to establish an open, efficient and stable domestic market. This program also provides policy advice on bilateral, regional, plurilateral and multilateral initiatives, including regulations and standards, impacting Canadian companies' access to global markets and the development of international marketplace framework policies. This program uses funding from the following transfer payment: Internal Trade Secretariat Corporation.

Budgetary Financial Resources: Market Access (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 3,028,723 | 2,714,312 | 1,551,764 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 17 | 16 | 16 |

Performance Measurement

| Expected Result | Performance Indicator | Target | Date to be Achieved |
|---|---|---|---|
| Decision makers have access to informed analysis on domestic and international trade matters affecting the competitiveness of Canadian industries | Number of collaborative research or policy initiatives started or maintained | 3 | March 31, 2016 |

**Planning Highlights: Market Access**

In 2015–16, Industry Canada will collaborate with its federal, provincial and territorial counterparts to reduce or eliminate barriers to the free movement of people, goods, services and investments within Canada and to establish an open, efficient and stable domestic market.

Industry Canada will support the implementation of the Canada and European Union Comprehensive Economic and Trade Agreement by advancing work related to its pharmaceutical IP provisions.

The Department will also continue providing advice to the Minister and other departments on several international trade negotiations, including on the implementation of the Canada–Korea Free Trade Agreement, and negotiations on the Trans-Pacific Partnership Agreement, the Canada–Japan Economic Partnership Agreement and a Canada–India free trade agreement, as well as plurilateral agreements on environmental goods and trade in services.

The change in Planned Spending in 2017–18 is due to the end of temporary funding provided in Budget 2014 to reduce barriers to internal trade.

**Sub-Program: Consumer Affairs**

**Description**

This program promotes the interests and protection of Canadian consumers, to enable them to be effective marketplace participants. It supports both policy development and intergovernmental harmonization of consumer protection rules and measures, nationally and internationally. It contributes to effective consumer protection through collaboration with provincial and territorial consumer protection agencies, under Chapter 8 of the Agreement on Internal Trade. It identifies important consumer issues and develops and disseminates consumer information and awareness tools. The program encourages consumer organizations to reach financial self-sufficiency, which assists them in providing meaningful, evidence-based input to public policy in the consumer interest. This program uses funding from the following transfer payment: Program for Non-profit Consumer and Voluntary Organizations.

Budgetary Financial Resources—Consumer Affairs (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 4,712,677 | 4,712,677 | 4,712,677 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 16 | 16 | 16 |

### Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Citizens are aware of consumer issues in the Canadian marketplace | Number of visitors accessing consumer information from Industry Canada | 1.2 million | March 31, 2016 |
| Decision makers have access to informed analysis on issues affecting Canadian consumers | Number of collaborative research or policy initiatives started or maintained | 3 | March 31, 2016 |
| | Number of times Industry Canada-supported analysis conducted by consumer organizations contributes to public policy discussions or media coverage | 12 | March 31, 2016 |

**Planning Highlights: Consumer Affairs**

In 2015–16, Industry Canada will continue providing consumers with tools to make informed purchasing decisions and will work to ensure consumer interests are considered in policy.

The Department will consolidate three existing consumer information websites into one knowledge portal on the Industry Canada website. This will make it easier for consumers to find the information they need and, as a result, make better-informed purchasing decisions.

**Program: Marketplace Competition and Investments**

**Description**

This program applies federal laws relating to the investigation of anti-competitive conduct and the general regulation of trade and commerce in respect of business practices, including the review of mergers and significant foreign investments. It protects, promotes and advocates for efficient markets in a manner that encourages economic growth and innovation, providing consumers and businesses with competitive prices and increased product choices.

### Budgetary Financial Resources—Marketplace Competition and Investments (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 47,089,170 | 47,089,170 | 47,054,762 | 47,054,762 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 380 | 380 | 380 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Consumers benefit from a competitive marketplace | Estimated dollar savings per annum to consumers from Bureau actions that stop anti-competitive activity | $515 million | March 31, 2016 |
| Timely and accurate reviews lead to marketplace certainty | Percentage of mergers and foreign investments reviewed within service standards | 85% for complex matters and 90% for non-complex matters | March 31, 2016 |

**Planning Highlights: Marketplace Competition and Investments**

In 2015–16, Industry Canada will continue to ensure that Canadians and Canadian firms benefit from open and competitive markets through an effective and efficient regulatory framework and focussed competition law enforcement. The Competition Bureau will continue to conduct timely and effective investigations and review merger transactions to prevent anti-competitive conduct. Industry Canada will continue to analyze foreign investments and their consequences for the Canadian marketplace.

**Sub-Program: Competition Law Enforcement**

**Description**

This program is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*. The Competition Bureau is an independent law enforcement agency whose activities are supported in part by user fees. It protects and promotes competitive markets by detecting, disrupting and deterring anti-competitive conduct, false or misleading representations and deceptive marketing practices. The Competition Bureau also reviews merger transactions to ensure their compliance with the *Competition Act*. This program is also responsible for providing advice to legislators and policy-makers and intervening or making representations before federal and provincial

boards, commissions and tribunals, to encourage competition to achieve policy or regulatory objectives.

Budgetary Financial Resources: Competition Law Enforcement (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 44,882,392 | 44,849,448 | 44,849,448 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 366 | 366 | 366 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Deterrence of conduct contrary to the *Competition Act* | Estimated dollar value per annum associated with deterrence resulting from Bureau enforcement actions | $17 million | March 31, 2016 |
| Consumers benefit from information enabling them to make informed choices | Competition Bureau information products accessed | 5,465 media hits | March 31, 2016 |
| | Audience reached through mainstream and social media | 234.2 million | March 31, 2016 |

**Planning Highlights: Competition Law Enforcement**

In 2015–16, the Competition Bureau will continue to promote compliance supported by strong, focused enforcement to enhance economic prosperity and consumer welfare. The Bureau will also maximize its competition promotion efforts by diversifying and increasing its collaboration with domestic and international partners and by participating in international forums. This work will include providing support for the Global Markets Action Plan by seeking to solidify relationships with key emerging markets, such as China and India.

Industry Canada will continue to advance its work to meet the consumer commitments in Budget 2014 related to addressing the Canada–US price gap. A key element of this effort is the *Price Transparency Act*, which will address the practice of geographic price discrimination. The Department will also work toward strengthening the *Competition Act* to enable the Bureau to more effectively stop anti-competitive conduct and promote competition to the benefit of Canadians.

### Sub-Program: Investment Review

#### Description

This program implements the provisions of the *Investment Canada Act* by ensuring that the Minister of Industry has the information needed to determine whether a significant foreign investment is likely to be of net benefit to Canada and/or whether there are reasonable grounds to believe that an investment could be injurious to national security. This is accomplished by developing investment policy, processing notifications filed by investors, and reviewing transactions within the scope of the Act.

Budgetary Financial Resources: Investment Review (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 2,206,778 | 2,205,314 | 2,205,314 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 14 | 14 | 14 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Timely processing of foreign investment notifications and applications for review filed by foreign investors under the *Investment Canada Act* | Median time required to certify notifications | 5 days | March 31, 2016 |
| | Median time required to process applications | 70 days | March 31, 2016 |

#### Planning Highlights: Investment Review

In 2015–16, the Department will continue the timely processing of foreign investment notifications and applications for review filed by foreign investors under the *Investment Canada Act*.

### Program: Spectrum, Telecommunications and the Digital Economy

#### Description

This program enables Canadians to benefit from a globally competitive digital economy that drives innovation, productivity and future prosperity. This includes developing and administering domestic regulations, procedures and standards that govern Canada's radiocommunication and telecommunications industries. The program sets legislative and

policy frameworks to encourage competition, innovation, private sector investment in digital infrastructure, confidence in the online marketplace, and greater adoption of information and communications technologies by business. The program maximizes the public benefits of spectrum by managing it efficiently and effectively, through spectrum and radio licensing including auctions, compliance and enforcement. The program protects Canadian interests in the telecommunications industry globally and facilitates international online trade and commerce by negotiating international treaties and agreements. This program also performs research in advanced telecommunication and information technologies to promote innovation and assist in the development of policies, regulations and program delivery.

Budgetary Financial Resources: Spectrum, Telecommunications and the Digital Economy (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 109,811,139 | 109,811,139 | 104,991,791 | 104,918,743 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 830 | 821 | 817 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Canada has a growing digital economy | Investment by telecommunications providers | $8 billion | March 31, 2016 |
| | Percentage of population with broadband subscriptions (1.5 megabits per second (Mbps) and higher) | 79%* | March 31, 2016 |

* By 2019, the new Connecting Canadians Program will extend access to broadband Internet at speeds of 5 Mbps to 98 percent of Canadian households.

**Planning Highlights: Spectrum, Telecommunications and the Digital Economy**

In 2015–16, Industry Canada will auction spectrum in the 2,500 MHz band to support increasing demand for new wireless technologies and services.

The Advanced Wireless Services (AWS-3) auction was held in 2014–15. This is expected to be a key band for the deployment of Long-Term Evolution (LTE) technology for North

American wireless networks. The final list of successful bidders for the auction of the AWS-3 band will be announced in 2015–16.

Industry Canada will also represent Canadian interests in key international spectrum planning and harmonization activities, provide timely access to radio frequency spectrum during the Toronto 2015 Pan American and Parapan American Games in Toronto, and undertake analysis of issues including the structure of the Canadian wireless industry, emerging technology trends, Canada's communications infrastructure under Digital Canada 150, and rural broadband availability. As noted under the Computer and Internet Access sub-program, by 2019, the new Connecting Canadians Program will extend access to broadband Internet at speeds of at least 5 Mbps to an additional 280,000 homes in rural and remote parts of the country.

**Sub-Program: Spectrum and Telecommunications Policy and Legislation**

**Description**

This program develops legal and policy frameworks in the areas of spectrum, telecommunications, privacy protection and cyber security. It promotes the efficiency and adaptability of the Canadian digital economy by regulating commercial conduct and discouraging misconduct in the use of electronic means to carry out commercial activities and by working with the private sector to remove barriers to the use of e-commerce. The program works with international organizations to promote and protect Canadian interests in international discussions, agreements and treaties and to negotiate standards. The program works to update or create legislation as information and communications technologies and their use evolve. It develops policy in support of the *Personal Information Protection and Electronic Documents Act* (PIPEDA), Canada's Anti-Spam Legislation, the *Telecommunications Act* and the *Radiocommunication Act*. This program uses funding from the following transfer payment: International Telecommunication Union, Geneva, Switzerland through an annual assessed contribution.

Budgetary Financial Resources: Spectrum and Telecommunications Policy and Legislation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 15,129,428 | 15,129,428 | 15,129,428 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 62 | 62 | 62 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| International treaties and agreements reflect Canada's spectrum and telecommunications interests | Percentage of Canadian objectives achieved at ITU meetings or through other international agreements | 90% | March 31, 2016 |
| Decision makers have access to informed analysis on legal and policy frameworks in the areas of spectrum, telecommunications, privacy protection and online security | Number of consultations on the development and implementation of the Government of Canada's spectrum and telecommunications priorities | 10 | March 31, 2016 |

**Planning Highlights: Spectrum and Telecommunications Policy and Legislation**

In 2015–16, Industry Canada will continue to implement Digital Canada 150, an ongoing commitment to ensuring that Canadians are connected to, protected in and benefit from the digital economy. Priorities include improving the protection of consumer privacy online and improving rural broadband access.

Industry Canada will represent Canadian interests in international spectrum planning activities, including at the 2015 World Radiocommunication Conference, when International Telecommunication Union member states will decide on revisions to the international radio regulations. These changes, in turn, will affect the development of new radiocommunication services and technologies.

Industry Canada will prepare proposals to the Inter-American Telecommunication Commission in support of the continued development of a globally harmonized approach to spectrum management and international regulation.

The Department will also seek to expand the use of Mutual Recognition Agreements (MRAs) with Canada's trading partners to facilitate trade by streamlining information on procedures for a wide range of telecommunications products.

**Sub-Program: Spectrum Management and Regulation**

**Description**

This program leads the orderly and secure evolution of Canada's radio spectrum and telecommunications infrastructure and promotes competition through the development of a coherent and effective regulatory framework, the enforcement of domestic and international requirements and the implementation of internationally negotiated standards and treaties. This provides telecommunication manufacturers and service providers with the favourable conditions they need to develop, introduce and market leading technologies and services. This program issues licences to use specific frequencies of the spectrum to businesses, organizations, and individuals, including on a first-come, first-

served basis and through auctions. The program also provides authorizations for the use of spectrum and orbital resources for satellite systems. The program monitors and enforces compliance with licence conditions and regulations. To avoid interference and protect health and safety, this program verifies and monitors compliance with Canadian telecommunications equipment regulations and legislation. The program also plays a role in protecting critical infrastructure, in making spectrum available for first responders, in supporting the telecommunications industry in times of emergency, and in supporting cyber security initiatives. This program uses funding from the following transfer payment: Radio Advisory Board of Canada.

Budgetary Financial Resources: Spectrum Management and Regulation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 62,483,693 | 59,456,345 | 59,383,297 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 542 | 533 | 529 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Canada has a modern spectrum management and telecommunications framework | Amount of spectrum available for commercial use | 750 MHz | March 31, 2017 |
| Canadians have timely access to radio frequency spectrum | Percentage of licence applications completed within service standards | 90% | March 31, 2016 |
| | Percentage of radiocommunication interference investigations completed within service standards | 90% | March 31, 2016 |

**Planning Highlights: Spectrum Management and Regulation**

In 2015–16, Industry Canada will auction spectrum in the 2,500 MHz band to respond to increasing demand for new wireless technologies and services. Auctioning this band will promote sustained competition, robust investment and the availability of advanced wireless technology.

Industry Canada will continue its work on the Spectrum Applications Modernization Project to replace the current Spectrum Management System. The updated system will provide Industry Canada with a streamlined, automated process to issue and manage radiocommunication licences in real time.

Industry Canada will provide timely access to radio frequency spectrum during the Toronto 2015 Pan American and Parapan American Games. This work includes coordinating all radiocommunication requests from domestic and international organizations, issuing short term authorizations and resolving radiocommunication interference.

The Department will prepare a proposal to introduce administrative monetary penalties for non-compliance with the conditions of spectrum licenses. Industry Canada will continue working to implement a streamlined satellite licensing fee regime for the use of spectrum allocated to fixed satellite and broadcasting satellite services.

**Sub-Program: Communications Technologies Research and Innovation**

**Description**

This program conducts research on advanced wireless communications systems and technologies primarily to support the development of public policy and services for Industry Canada. Research projects involve a combination of in-house activities and partnerships with other government departments, industry and academic organizations. The research performed provides insight into wireless technologies, which assists in the development of communications policies, regulations and program delivery, provides support to critical government operations, and establishes ties with industry and academia to facilitate future collaboration and promote innovation in this area.

Budgetary Financial Resources: Communications Technologies Research and Innovation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 32,198,018 | 30,406,018 | 30,406,018 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 226 | 226 | 226 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Industry Canada policymaking and program development sectors are provided with the scientific information they need to make well-informed decisions on communications technologies | Number of communications technologies for which the Communications Research Centre Canada has provided advice/input to Industry Canada for policy, standard and regulation development, and for contributions to international fora (i.e., International Telecommunication Union) | 10 | March 31, 2016 |
| CRC intellectual property and technology are shared between Communications Research Centre Canada and industry | Number of collaborative research projects with industry | 5 | March 31, 2016 |
| Canadian government departments and agencies (Department of National Defence, Canadian Radio-television and Telecommunications Commission, Canadian Space Agency) are provided with the information they need to make well-informed decisions on communications technologies | Number of collaborative projects for other government departments to conduct research and testing on communications technologies | 15 | March 31, 2016 |

**Planning Highlights: Communications Technologies Research and Innovation**

Industry Canada will continue to analyze emerging technology trends and issues that could affect the management of the radio spectrum.

The Department will address policy, program and operational challenges in spectrum management through research and development that advances the efficient use of radio spectrum.

As well, Industry Canada will assist and support other government organizations in addressing their critical wireless communications requirements.

## Section II: Analysis of Programs by Strategic Outcome (continued)

### Strategic Outcome: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Industry Canada invests in science and technology to generate knowledge and equip Canadians with the skills and training they need to compete and prosper in the global knowledge-based economy. These investments help ensure that discoveries and breakthroughs happen here in Canada and that Canadians can realize the social and economic benefits that result.

Industry Canada's 2015–16 priorities will contribute to Canada's innovation performance by creating a competitive policy environment to guide research and development (R&D) investments by governments and other stakeholders, and by providing financial assistance to encourage firms to take strategic R&D risks.

### Program: Science, Technology and Innovation Capacity

#### Description

This program sets the strategic direction for policies and programs that support and stimulate research, development and innovation in Canada. In collaboration with Industry portfolio partners, other government departments and external stakeholders from the private and public sectors, the program fosters an environment that is conducive to innovation and promotes scientific excellence.

Budgetary Financial Resources—Science, Technology and Innovation Capacity (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 304,380,758 | 304,380,758 | 302,630,758 | 195,850,758 |

Note: Planned Spending does not reflect future budget decisions.

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 64 | 64 | 64 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Canada's scientific research excellence is maintained | Canada's Average Relative Citation index | 1.28 | March 31, 2016 |
| Researchers are attracted to Canada and retained | Total full-time equivalent researchers in Canada per thousand total employment | 8.4 | March 31, 2016 |

**Planning Highlights: Science, Technology and Innovation Capacity**

Industry Canada will continue to set the strategic direction for the policies and programs that support and stimulate scientific research, development and innovation in Canada.

In 2015–16, Industry Canada will begin to implement the Science, Technology and Innovation Strategy, *Seizing Canada's Moment: Moving Forward in Science, Technology and Innovation 2014*, and facilitate support for business innovation by continuing to engage with stakeholders. The Department will support Canada's science, technology and innovation priorities and implement Budget measures, including the Canada First Research Excellence Fund operated by the federal granting councils.

Industry Canada's science and technology initiatives are part of the broader science and technology portfolio. Further information can be found on the Industry portfolio partners' websites.[3]

Changes in Planned Spending reflect currently approved funding profiles. These do not reflect future budget decisions. Further information is provided under the relevant sub-programs below.

**Sub-Program: Science and Technology Policy and Analysis**

**Description**

This program supports science, technology and innovation (ST&I) by providing analysis and advice and developing policies and programs to improve Canada's research and development capacity and excellence in Canada's innovation system. This is accomplished through partnerships, consultation and collaboration with various stakeholders including the private sector, universities and colleges and their associations, provincial/territorial governments, foreign governments and international organizations. This program also works closely with Industry portfolio partners such as the National Research Council and the federal granting councils within the Industry portfolio (the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada) as well as other science-based departments and agencies to promote horizontal coordination of ST&I policies. This program also supports the activities of the Science, Technology and Innovation Council (STIC), an external advisory body that provides Ministers with confidential advice on ST&I policy

issues and publicly reports on Canada's ST&I performance against international standards of excellence.

Budgetary Financial Resources: Science and Technology Policy and Analysis (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 6,496,303 | 6,496,303 | 6,466,303 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 39 | 39 | 39 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Engagement with key stakeholders in the development and implementation of the Government of Canada's science, technology and innovation priorities | Number of ongoing consultations with the federal science and technology community, provincial governments and national stakeholder organizations in the development and implementation of the Government of Canada's science, technology and innovation priorities | 20 | March 31, 2016 |
| A broader understanding of science underpins science and technology policy | Number of Council of Canadian Academies (CCA), Science, Technology and Innovation Council (STIC) and Organization for Economic Cooperation and Development (OECD) reports underway with Industry Canada involvement that provide a basis for science and technology policy | 8 | March 31, 2016 |

**Planning Highlights: Science and Technology Policy and Analysis**

In 2015–16, Industry Canada will take steps to implement the Science, Technology and Innovation Strategy, *Seizing Canada's Moment: Moving Forward in Science, Technology and Innovation 2014*. Released in December 2014, the Strategy has a medium- to long-term horizon, with early actions to be taken in 2015–16. As part of the implementation of

the strategy, Industry Canada will consult on, and develop a new strategy for, digital research infrastructure, to enhance the capability and efficiency of Canada's academic research community. Promoting Open Science will also contribute to the efficient advancement of knowledge in Canada. The Department will continue to engage with stakeholders and conduct research and analysis to support the Government of Canada's science, technology and innovation priorities.

Industry Canada will continue to support the Science, Technology and Innovation Council as that organization develops and publicly releases its State of the Nation 2014 report. This report will benchmark Canada's science, technology and innovation performance against international standards of excellence.

**Sub-Program: Science and Technology Partnerships**

**Description**

This program oversees implementation of science and technology programs delivered by the Department's Industry portfolio partners. It manages federal funding agreements with arm's length organizations that support Canada's science, technology and innovation capacity. The program also conducts research and analysis in support of its oversight, governance and management responsibilities. It supports research, education and innovation in post-secondary institutions. It promotes a science and entrepreneurial culture and the development of a pool of talent in the science and technology industry. This program uses funding from the following transfer payments: Canada Foundation for Innovation, CANARIE Inc, Genome Canada, Perimeter Institute for Theoretical Physics, Mitacs Inc., Canadian Institute for Advanced Research and the Institute for Quantum Computing.

Budgetary Financial Resources: Science and Technology Partnerships (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 297,884,455 | 296,134,455 | 189,384,455 |

Note: Planned Spending does not reflect future budget decisions.

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 25 | 25 | 25 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Science and technology partnerships exist between industry and academia | Dollars of cash and in-kind industrial and other contributions leveraged per dollar investment from granting councils' science and technology industry partnership programs for which Industry Canada sits on governance bodies | $2.00 | March 31, 2016 |
| | Number of companies involved in granting councils' science and technology industry partnership programs for which Industry Canada sits on governance bodies | 200 | March 31, 2016 |
| Federal programs are in place to support highly qualified researchers | Number of researchers including students supported by granting councils' science and technology "people advantage" programs for which Industry Canada sits on governance bodies | 3,200 | March 31, 2016 |

**Planning Highlights: Science and Technology Partnerships**

In 2015–16, the Department will work with federally supported funding agencies, the post-secondary sector and other research funders to identify and pursue opportunities to reduce the administrative burden associated with research in Canada. The goal of this collaboration will be to help increase the efficiency and effectiveness of the Canadian research enterprise. Industry Canada will continue to work with partners across the portfolio to maximize the impact of federal business innovation programming and to make it easier for businesses to access federal programs. By promoting Open Science, Industry Canada will also contribute to the efficient advancement of knowledge in Canada.

The Department will work with the granting councils to implement the first competition for the Canada First Research Excellence Fund and to launch the second. Also in collaboration with the granting councils, as well as Health Canada and the Canada Foundation for Innovation (CFI), Industry Canada will update the design of the Canada Excellence Research Chairs Program in preparation for the third program competition, which will take place in 2015.

The Department will seek opportunities to encourage collaborative partnerships and to enhance programs that support commercialization and technology transfer between higher education institutions and industry.

Changes in Planned Spending reflect currently approved funding profiles. These do not reflect future budget decisions.

**Program: Industrial Research and Development Financing**

**Description**

This program helps Canadian businesses increase research and development (R&D) activities by investing in innovative projects and collaborations through repayable and non-repayable contributions. Projects supported under this program are expected to produce benefits to Canada, including generating strategic R&D investment, developing new technologies and enhancing Canadian innovation capacity and expertise.

Budgetary Financial Resources: Industrial Research and Development Financing (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 287,630,154 | 287,630,154 | 294,782,380 | 291,625,082 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 80 | 80 | 80 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Investment in leading-edge R&D in targeted Canadian industries | Dollar value to date of disbursements to firms for R&D activities | TPC: $3.16 billion<br>SADI: $1.069 billion<br>TDP: $39.2 million<br>AIF: $261.5 million | March 31, 2016 |
| | Dollars to date of investment leveraged per dollar of Industry Canada disbursements in R&D projects | TPC: $2.33<br>SADI: $1.78<br>TDP: $1.00<br>AIF: $6.50 | March 31, 2016 |

**Planning Highlights: Industrial Research and Development Financing**

In 2015–16, Industry Canada will continue to encourage collaborative R&D partnerships among research institutes, universities, colleges and the private sector. The Department will support increased R&D activity among Canadian firms by investing in innovative projects through programs such as the Strategic Aerospace and Defence Initiative, the Technology Demonstration Program and the Automotive Innovation Fund.

The changes in Planned Spending reflect Budget 2013 funding for the Technology Demonstration Program and reprofiled resources under the Automotive Innovation Fund. Further information is provided under the relevant sub-programs below.

**Sub-Program: Automotive Innovation**

**Description**

This program supports the production of innovative, greener and more fuel-efficient vehicles by contributing to strategic, large-scale research and development (R&D) projects in the automotive sector. It provides support in the form of repayable contributions to automotive-related companies to fund innovative activities related to automotive engineering, R&D and manufacturing modernization. This program also supports Canada's environmental agenda in advancing R&D and innovation to increase automobile fuel efficiency and reduce greenhouse gases. This program uses funding from the following transfer payment: Automotive Innovation Fund.

Budgetary Financial Resources: Automotive Innovation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 65,812,446 | 65,812,446 | 55,737,068 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 5 | 5 | 5 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Enhanced capacity for the development of innovative, more fuel-efficient technologies in the Canadian automotive industry | Number of projects to date focusing on innovative fuel efficient technologies and processes | 6 | March 31, 2016 |
| Investment in leading-edge R&D in the Canadian automotive sector | Dollars to date of investment leveraged per dollar of Industry Canada disbursements in automotive R&D projects | $6.50 | March 31, 2016 |

**Planning Highlights: Automotive Innovation**

Budget 2014 announced an additional $500 million over two years for the Automotive Innovation Fund (AIF), which will be reflected in future reports. In 2015–16, Industry Canada will continue to administer this program, which supports the development and implementation of innovative, fuel-efficient technologies and processes.

Resources under the AIF were reprofiled from 2013–14 into 2015–16 ($16 million), 2016–17 ($16 million) and 2017–18 ($5.9 million) to better align with anticipated recipient requirements.

**Sub-Program: Aerospace and Defence Innovation**

**Description**

This program supports research and development in the Canadian aerospace, defence, space and security industries. It enhances competitiveness by encouraging and leveraging investment in the research and development of new technologies, products, processes and services in Canada and fosters collaboration among research institutes, universities, colleges and the private sector through repayable and non-repayable contributions. This

program uses funding from the following transfer payments: Strategic Aerospace and Defence Initiative and the Technology Demonstration Program.

Budgetary Financial Resources: Aerospace and Defence Innovation (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 221,817,709 | 228,969,935 | 235,888,015 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 75 | 75 | 75 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| New and innovative products, services and processes are commercialized by Canadian businesses | Number of projects to date in which the recipient has commercialized a new product, service or process as a result of Industry Canada financing | 204 | March 31, 2016 |
| Investment in leading-edge R&D in the Canadian aerospace and defence sector | Dollars to date of investment leveraged per dollar of Industry Canada disbursements in aerospace and defence R&D projects | TPC: $2.33<br>SADI: $1.78<br>TDP: $1.00 | March 31, 2016 |
| Collaboration between private sector and universities, colleges and affiliated research institutes | Number of projects to date for which the recipient has established a collaborative relationship with universities, colleges and/or affiliated research institutes | 35 | March 31, 2016 |

**Planning Highlights: Aerospace and Defence Innovation**

Since its 2013 launch, the Technology Demonstration Program (TDP) has completed the first two calls for proposals for large-scale research and development technology demonstration projects in the aerospace, defence, space and security sectors. It is anticipated that the first successful applicants will be announced in 2014-15 and 2015–16, and that a third call for proposals will take place in 2015–16. This ongoing support for large-scale demonstration projects has significant potential for broad-based and long-term economic benefits for Canada. Industry Canada will also continue to seek advice

from external stakeholders, including the TDP Advisory Committee, on possible enhancements to the program's design and procedures.

Industry Canada will continue to increase business innovation by supporting collaborative research and development activities of Canadian companies through the Strategic Aerospace and Defence Initiative (SADI). In addition, SADI will continue to contribute to the development of partnerships between private companies and universities through the requirement to collaborate with post-secondary institutions.

The change in Planned Spending reflects new funding from Budget 2013 for TDP.

## Section II: Analysis of Programs by Strategic Outcome (continued)

### Strategic Outcome: Canadian businesses and communities are competitive

Industry Canada encourages competition and productivity because businesses generate jobs and create wealth. Promoting economic development in communities encourages the development of skills, ideas and opportunities across the country.

Industry Canada's 2015–16 priorities will contribute to Canada's innovation performance by ensuring that all Canadians have access to broadband and demonstrating leadership in the use of innovative tools, including data analytics.

### Program: Small Business Research, Financing and Services

#### Description

This program enhances the growth and competitiveness of small business and encourages entrepreneurship. It raises awareness across government of the challenges facing small businesses; provides knowledge and expertise on small and medium-sized enterprises (SMEs) in a number of areas, including entrepreneurship, financing, innovation and growth firms; recommends policy options; and delivers programs that help support SMEs and entrepreneurial activity across Canada.

Budgetary Financial Resources: Small Business Research, Financing and Services (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 86,766,345 | 86,766,345 | 84,478,745 | 87,035,745 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 100 | 100 | 100 |

Performance Measurement

| Expected Result | Performance Indicator | Target | Date to be Achieved |
|---|---|---|---|
| Canadian small and medium sized-enterprises grow and become more internationally competitive | The percentage of businesses expecting to grow their total revenues over the next three years | 50% | March 31, 2016 |

**Planning Highlights: Small Business Research, Financing and Services**

In 2015–16, Industry Canada will work collaboratively with provincial and territorial partners, as well as other federal departments, to expand the BizPaL service across Canada, through the participation of additional municipalities. Industry Canada will also develop a pilot project linking federal, provincial and territorial information about permits and licences currently housed within BizPaL to regulations pertaining to the Agreement on Internal Trade.

Industry Canada will continue to encourage small business growth and entrepreneurship through the delivery of programs such as BizPaL and the Canada Small Business Financing Program.

The changes in Planned Spending reflect expected fluctuations in claims under the *Canada Small Business Financing Act*.

**Sub-Program: Small Business Financing and Growth**

**Description**

This program helps Canadian small and medium-sized enterprises (SMEs) and young entrepreneurs access financing that would not otherwise be available or would only be available under less favourable terms. Futurpreneur Canada also assists entrepreneurs through mentoring, where the entrepreneur is matched with an experienced business professional. This program also provides advice and support to the Business Development Bank of Canada (BDC) and promotes understanding of the challenges small businesses face in the terms of growth and prosperity. This program uses funding from the following transfer payments: Canada Small Business Financing Program and Futurpreneur Canada.

Budgetary Financial Resources: Small Business Financing and Growth (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 81,366,167 | 79,078,567 | 81,635,567 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 55 | 55 | 55 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Small and medium-sized enterprises that would not otherwise be able to access financing can do so with government support | Number of loans registered with the program* | 5,300 | March 31, 2016 |
| | Value of loans registered with the program | $880 million | March 31, 2016 |
| Young entrepreneurs are able to obtain advice from experienced individuals | Number of mentorships established | N/A** | N/A** |

* On January 22, 2015, the Prime Minister announced the Government's intent to make changes to the Canada Small Business Financing Program that will facilitate more loans for real property and will allow more small businesses to apply, by changing the gross annual revenues threshold from $5 million or less to $10 million.

** Current funding for Futurpreneur Canada expires on March 31, 2015. On February 5, 2015, the Prime Minister announced the Government's intent to provide $14 million over two years—$7 million in 2015–16 and $7 million in 2016–17—to Futurpreneur Canada.

**Planning Highlights: Small Business Financing and Growth**

In 2015–16, Industry Canada will continue to strengthen relationships with financial institutions and small business support organizations to increase knowledge of, and familiarity with, the Canada Small Business Financing Program (CSBFP). Industry Canada will also continue to roll out the CSBFP online registration application, which permits lenders to transfer loan registrations and fees electronically. As well, the Department will continue to implement the direct deposit initiative within the CSBFP, so that all claim and refund payments will be made through direct deposit by March 31, 2016.

The changes in Planned Spending reflect adjustments in the Canada Small Business Financing Program to more accurately reflect anticipated future claim payments.

**Sub-Program: Service to Business**

**Description**

This program develops strategies for improving access to relevant government information to potential Canadian entrepreneurs and small and medium-sized enterprises (SMEs), including cooperatives. The Canada Business Network (CBN) and BizPaL provide one-stop access to specific government information on programs, services, permits, licences and regulations along with other business-related tools. CBN and BizPaL services are offered through the Internet and toll-free telephone. CBN officer-assisted services are also provided across Canada. CBN and BizPaL are delivered in collaboration with other federal departments and agencies, provincial, territorial and municipal governments and other entities. This program also reports on strategies for

reducing paperwork burden on SMEs when complying with government requirements and obligations.

Budgetary Financial Resources: Service to Business (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 5,400,178 | 5,400,178 | 5,400,178 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 45 | 45 | 45 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Small business and potential entrepreneurs access government information on business-related programs, tools and services | Number of client interactions on all Canada Business Network and BizPaL content delivered through the national web channel | 1.7 million | March 31, 2016 |
| Cooperatives have access to relevant business related information, statistics, programs and services, and actions to increase awareness | Number of policy and data initiatives started or maintained | 25 | March 31, 2016 |
| Canada Business Network and BizPaL clients find the information provided useful | Percentage of clients that indicate they found Canada Business Network and BizPaL services and information useful | 60% | March 31, 2016 |

**Planning Highlights: Service to Business**

In 2015–16, Industry Canada will work collaboratively with provincial and territorial partners and other federal departments to expand the BizPaL service across Canada through the participation of additional municipalities and federal government departments. The Department will also advance an initiative to create an integrated partner website for federal and provincial business services, drawing on both BizPaL and the Canada Business Network. The Department will also work to improve access to federal programs and services for SMEs, including co-operatives, and will launch new outreach activities to increase awareness of these programs among SMEs.

Industry Canada will collaborate with the Canada Revenue Agency over the coming years to establish the Business Number as the common business identifier across all federal departments and programs. The Business Number will make it simpler for businesses to interact with the government.

**Program: Industrial Competitiveness and Capacity**

**Description**

This program helps Canadian industries increase their competitiveness in global markets and improve their capacity for developing and marketing innovative products and services. The program develops expertise on Canadian firms and sectors through research and analysis and engagement with associations, governments and leading firms. It applies this expertise to develop and contribute to policy, legislation and regulations aimed at strengthening the contribution of industry to Canada's economic well-being. This program collaborates with the private sector on industry development; attracts investment and promotes Canadian expertise; and advances initiatives for increasing productivity and supporting growth.

Budgetary Financial Resources: Industrial Competitiveness and Capacity (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 34,249,228 | 34,249,228 | 34,257,507 | 34,257,507 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 211 | 211 | 211 |

Performance Measurement

| Expected Result | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Canadian industries have the capacity to prepare for and respond to risks and opportunities in domestic and global markets | Canada's ranking among G7 countries for "value chain breadth" | 6th | March 31, 2016 |
| | Canada's ranking among G7 countries for "firm-level technology absorption" | 6th | March 31, 2016 |

**Planning Highlights: Industrial Competitiveness and Capacity**

Strengthening the manufacturing sector to foster globally competitive industries, while creating jobs and economic growth, remains a priority for Industry Canada in 2015–16. In support of this priority, the government will continue to promote policies that make Canada globally competitive, such as low taxes, global trade opportunities, investment policies and a skilled workforce.

Industry Canada will also continue to provide technical reviews and funding recommendations to the Federal Economic Development Agency for Southern Ontario related to the Advanced Manufacturing Fund. Industry Canada will collaborate with other departments to prioritize and support the development and adoption of emerging technologies crucial to manufacturing competitiveness.

**Sub-Program: Industry-Specific Policy and Analysis**

**Description**

This program provides intelligence, analysis and advice on the challenges and opportunities facing industry as it seeks to be competitive in global markets. Industry-specific anaiysis is used to inform stakeholders on key issues and policies that are relevant to the competitiveness of targeted industries and their positions within globalized markets and value chains. In collaboration with partners such as industry associations and other government departments, the program develops and disseminates studies, research papers and statistical reports to create an evidence base for informed decision making. It performs targeted outreach to assist industry in better understanding government policy and programs. This program also promotes the adoption and adaptation of new and emerging technologies and skills for business processes, and promotes strategic research and development, marketing, investment and international business development activities.

Budgetary Financial Resources: Industry-Specific Policy Analysis (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 28,253,760 | 28,262,039 | 28,262,039 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 181 | 182 | 182 |

### Performance Measurement

| Expected Result | Performance Indicator | Target | Date to be Achieved |
|---|---|---|---|
| Decision makers have access to informed analysis on trends and issues affecting the competitiveness of Canadian industries | Number of collaborative research or policy initiatives started or maintained | 55 | March 31, 2016 |

**Planning Highlights: Industry-Specific Policy and Analysis**

In 2015–16, Industry Canada will seek to collaborate with manufacturing stakeholders to advance competitiveness and create new economic opportunities for Canadians.

The Department will continue to engage federal partners through regular meetings of the Federal Tourism Strategy Steering Committee, including formalized tourism industry engagement. In addition, the Department will continue to coordinate closely with other government departments on the development of multiple policies and programs affecting the tourism sector.

In 2015–16, Industry Canada will continue to implement the Government of Canada's response to the Review of Aerospace and Space Programs and Policies, with the advancement of a new aerospace supplier development initiative. In addition, the Minister of Industry recently announced the creation of a Space Advisory Board, which will provide expert advice to the Government on Canada's role and future in space. The board includes leading experts from across the country who will help lead Canada's space policy in the years ahead.

Industry Canada will deliver on the commitments in Budget 2014 related to the Made in Canada consumer awareness campaign. Further information on other Industry Canada activities for the consumer commitments can be found under the Marketplace Frameworks and Regulation program and the Competition Law Enforcement program.

**Sub-Program: Economic Outcomes from Procurement**

**Description**

This program implements the Defence Procurement Strategy (DPS), which includes the Industrial and Technological Benefits (ITB) policy and the weighted and rated value proposition (VP). This program also implements the National Shipbuilding Procurement Strategy (NSPS) VP and manages the monitoring and verification of the former Industrial and Regional Benefits (IRB) obligations. These seek to improve the economic outcomes from certain defence and security procurements across the country.

Budgetary Financial Resources: Economic Outcomes from Procurement (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 5,995,468 | 5,995,468 | 5,995,468 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 30 | 29 | 29 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Industrial and Technological Benefits (ITB) obligations will generate business activities that contribute positively to Canada's overall economic performance, including direct, indirect, induced, and spin-off benefits for Canadian industry | The dollar value of ITB business activities in Canada, undertaken and claimed by contractors with ITB obligations | $1 billion | March 31, 2016 |
| Industrial considerations that will contribute to Canada's overall economic performance are incorporated into the evaluation of defence and major Coast Guard procurements | Number of defence and major Coast Guard procurements that include a Value Proposition | 12 | March 31, 2016 |
| Commitments under the National Shipbuilding Procurement Strategy contribute to the health and sustainability of the Canadian shipbuilding and marine industry | Total dollar value of National Shipbuilding Procurement Strategy (NSPS) Value Proposition investments (i.e., investments made by shipyards in the broader marine industry as a result of NSPS resultant contracts) | $1.4 million | March 31, 2016 |

**Planning Highlights: Economic Outcomes from Procurement**

In 2015–16, Industry Canada will continue to monitor the IRB policy and implement the ITB policy, including a Value Proposition to leverage industrial benefits from certain defence and major coast guard procurements.

Industry Canada will continue to administer the National Shipbuilding Procurement Strategy Value Proposition in support of building a sustainable Canadian marine industry over the long term.

The Department will also continue to identify opportunities for Canadian industry to participate in the F-35 Joint Strike Fighter Program.

**Program: Community Economic Development**

**Description**

This program advances the economic development of Northern Ontario communities in the same manner that regional development agencies support similar activities in other regions of Canada. Its main goal is to strengthen the Northern Ontario economy by providing financial support through contribution agreements for economic and community development projects led by the private, not-for-profit and public sectors, including support for official language minority communities. This program also contributes to communities across Canada with programs to support access to the Internet, as well as to provide computers for schools.

Budgetary Financial Resources: Community Economic Development (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 150,391,867 | 150,391,867 | 137,911,498 | 137,636,888 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 112 | 109 | 109 |

Performance Measurement

| Expected Result | Performance Indicator | Target | Date to be Achieved |
|---|---|---|---|
| Targeted businesses and organizations in Northern Ontario create economic growth | Number of Northern Ontario businesses created, expanded or maintained with FedNor assistance | 1,500 | March 31, 2016 |

**Planning Highlights: Community Economic Development**

In 2015–16, Industry Canada will continue to deliver Connecting Canadians, a program which will extend and enhance access to broadband services to 280,000 homes in rural

and northern communities. The Department will also continue to administer programs to support economic and community development projects in Northern Ontario.

The changes in Planned Spending are due to the end of temporary funding for Broadband Canada: Connecting Rural Canadians Program in 2015–16.

**Sub-Program: Northern Ontario Economic Development**

**Description**

This program promotes economic development and diversification, job creation, and sustainable, self-reliant communities in Northern Ontario. This is achieved by providing transfer payments to small and medium-sized enterprises and not-for-profit organizations, including municipalities, municipal organizations, community development organizations and research institutions, in the following priority areas: community economic development, business growth and competitiveness and innovation. As part of the Roadmap for Canada's Official Languages 2013-2018, this program also provides support for business and economic development activities that enhance the economic vitality of francophone communities throughout Northern Ontario and encourage sustainable growth. This program uses funding from the following transfer payments: Northern Ontario Development Program, Economic Development Initiative, and Community Futures Program.

Budgetary Financial Resources: Northern Ontario Economic Development (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 50,886,072 | 50,836,072 | 50,911,072 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 92 | 92 | 92 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Targeted Northern Ontario businesses and organizations attract investors | Dollars of investment leveraged per program dollar disbursed | $1.80 | March 31, 2016 |
| Targeted Northern Ontario businesses and organizations create and maintain jobs | Number of jobs created and maintained in Northern Ontario through FedNor programming investments | 3,000 | March 31, 2016 |

**Planning Highlights: Northern Ontario Economic Development**

In 2015–16, Industry Canada will continue to deliver programs to support economic development in Northern Ontario while implementing targeted initiatives to improve services and gain efficiencies. These initiatives include the Community Investment Initiative for Northern Ontario, the Targeted Manufacturing Initiative for Northern Ontario, investments in broadband deployment and the Economic Development Initiative of the Roadmap for Canada's Official Languages 2013-2018.

Notably, the Department will assist in the development of the Ring of Fire mineral deposits.

The Department will evaluate the Northern Ontario Development Program, monitor the implementation of actions taken in response to previous audits and evaluations of the Community Futures and Northern Ontario Development programs, and enhance the visibility of programs and services offered by Community Futures Development Corporations, through the Community Futures Program.

**Sub-Program: Computer and Internet Access**

**Description**

This program supports access to computers and the Internet in communities across the country. Through the new Connecting Canadians Program, it also funds the extension or enhancement of broadband infrastructure to reach previously underserved communities. It is also responsible for maintaining current maps of broadband coverage across Canada and for working with other government partners to coordinate support for broadband infrastructure. The program also supports access to satellite bandwidth for providing broadband access to previously unserved or underserved households, in accordance with established agreements under the Broadband Canada Program (ends in 2015–16; no new agreements will be signed). The program refurbishes surplus computer equipment donated by the public and private sectors, distributing it to schools, libraries, not-for-profit learning organizations and Aboriginal communities upon request. It also provides youth internship opportunities where young Canadians can gain valuable experience in the field of information and communications technologies (ICT). This program uses

funding from the following transfer payments: Youth Internships at community access sites, Computers for Schools and Computers for Schools – Technical Work Experience Program, Broadband Canada: Connecting Rural Canadians Program, and Connecting Canadians Program.

Budgetary Financial Resources: Computer and Internet Access (dollars)

| 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|
| 99,505,795 | 87,075,426 | 86,725,816 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 20 | 17 | 17 |

Performance Measurement

| Expected Results | Performance Indicators | Targets | Date to be Achieved |
|---|---|---|---|
| Broadband internet access to unserved and underserved households | Number of households in Canada with broadband access from services funded by Industry Canada | 280,000* | March 31, 2019 |
| Schools, libraries, not for profit learning organizations and Aboriginal communities receive refurbished computers | Number of refurbished computer units delivered annually | 70,000 | March 31, 2016 |
| Youth interns gain work experience in the information and communication technologies field | Number of youth interns hired | 250 | March 31, 2016 |

* By 2019, the new Connecting Canadians Program will extend access to broadband Internet at speeds of 5 Mbps to an additional 280,000 homes in rural and remote communities.

**Planning Highlights: Computer and Internet Access**

In 2015–16, Industry Canada will continue to ensure that Canadians in rural and northern communities have access to broadband services. Under Connecting Canadians, the Department will conditionally approve and negotiate contribution agreements for projects from the first call for applications. Medium- and long-term options will also be developed to address the growing demand for connectivity across Canada. The Department will continue to manage existing contribution agreements from the Broadband Canada: Connecting Rural Canadians Program.

Budget 2014 provided $36 million over four years to renew Computers for Schools. This funding will allow recipients to continue refurbishing and distributing donated equipment and providing related valuable work experience to youth interns.

The changes in Planned Spending and FTEs are due to the end of temporary funding for the Broadband Canada: Connecting Rural Canadians in 2015–16.

## Section II: Analysis of Programs by Strategic Outcome (continued)

## Internal Services

### Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources: Internal Services (dollars)

| 2015–16 Main Estimates | 2015–16 Planned Spending | 2016–17 Planned Spending | 2017–18 Planned Spending |
|---|---|---|---|
| 94,072,400 | 127,072,400 | 131,629,048 | 131,917,919 |

Human Resources (FTEs)

| 2015–16 | 2016–17 | 2017–18 |
|---|---|---|
| 1,194 | 1,192 | 1,191 |

### Planning Highlights: Internal Services

The Department's ongoing internal services delivery and the management initiatives noted below will continue to be grounded in sound financial management practices, and designed to improve the efficient and effective delivery of programs and operations.

### Blueprint 2020

In 2015–16, in accordance with the goals of Blueprint 2020, Industry Canada will focus on management initiatives that nurture an environment of innovation and collaboration. Initiatives will include strengthening the use of both official languages, improving the reach of our internal communications, and implementing enabling technologies to better support mobility and remote access. Together, such initiatives will help employees collaborate and remain engaged and committed to the achievement of the Department's objectives.

**Human Resources**

Industry Canada will also continue to foster the professional growth and development of employees through sound human resource management. Initiatives in this area include reorienting the departmental approach to learning in keeping with changes to the Canada School of Public Service training model, and implementing a corporate approach to support the recruitment and development of students.

**Information Management and Information Technology**

Another focus for the Department in 2015–16 will be the continuing implementation of Government of Canada transformation initiatives in information technology and information management through participation in initiatives such as Open Government, GCDocs and the Email Transformation Initiative.

The difference between the 2015–16 Main Estimates and Planned Spending for Internal Services reflects the Department's funding model, whereby a portion of its core budget comes from repayments and royalties received under former contributions program. While this portion of the operating budget supports activities across the department, it is all recorded against the internal services program to streamline administration. Changes in the FTEs for Internal Services compared to previous reports reflect the consolidation of information technology resources under this sub-program.

The change in Planned Spending reflects expected in-year costs related to compensation adjustments and pay list requirements to meet the legal obligations of the employer (e.g., parental leave).

## Section III: Supplementary Information

### Future-Oriented Statement of Operations

The condensed Future-Oriented Statement of Operations provides a general overview of Industry Canada's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Given that the condensed Future-Oriented Statement of Operations is prepared on an accrual accounting basis, while the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts will differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, can be found on Industry Canada's website.[4]

#### Condensed Future-Oriented Statement of Operations For the Year Ended March 31 (dollars)

| Financial Information | 2014–15 Estimated Results | 2015–16 Planned Results | Difference |
|---|---|---|---|
| Total expenses | 1,122,302,152 | 1,257,808,414 | 135,506,262 |
| Total revenues | 233,485,531 | 232,175,530 | (1,310,001) |
| Net cost of operations | 888,816,621 | 1,025,632,884 | 136,816,263 |

Total expenses year-over-year are expected to increase by approximately 12% ($135.5 million). The change is attributable to expected increases in transfer payments, particularly for the Connecting Canadians Program, the Strategic Aerospace and Defence Initiative, the Technology Demonstration Program, and the Canada Foundation for Innovation. Operating expenses, including salaries, are expected to remain steady in the next fiscal year.

While Industry Canada is planning to auction spectrum in the 2,500 MHz band, potential revenues from the auction cannot be accurately predicted and are not included in the Future-Oriented Statement of Operations. As there are no other predictable significant events affecting revenues, other Industry Canada revenues are expected to remain consistent for the majority of the department.

## Section III: Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Report on Plans and Priorities* can be found on Industry Canada's website.[5]

- Details on Transfer Payment Programs of $5 Million or More
- Disclosure of Transfer Payment Programs Under $5 Million
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years
- Up-Front Multi-Year Funding
- User Fees
- Departmental Sustainable Development Strategy

## Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* publication.[6] The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

## Section IV: Organizational Contact Information

Corporate Management Sector
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## Appendix: Definitions

**appropriation:** Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

**budgetary expenditures:** Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**Departmental Performance Report:** Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

**full-time equivalent:** Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

**Government of Canada outcomes:** A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

**Management, Resources and Results Structure:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

**non-budgetary expenditures:** Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

**performance indicator:** A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting:** The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

**planned spending:** For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

**plans:** The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**priorities:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

**program:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

**Program Alignment Architecture:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

**Report on Plans and Priorities:** Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

**results:** An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**Strategic Outcome:** A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program:** A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

**target:** A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**whole-of-government framework:** Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

## Endnotes

1 *Department of Industry Act*, http://laws-lois.justice.gc.ca/eng/acts/i-9.2/

2 Government Expenditure Plan and Main Estimates (Part I and II), http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp

3 Industry portfolio partners' websites, http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_00022.html

4 Future-Oriented Statement of Operations, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07512.html

5 Supplementary Information tables, http://www.ic.gc.ca/eic/site/017.nsf/eng/h_07511.html

6 Government of Canada Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp